A person wearing blue jeans and brown shoes is standing on a large white arrow painted on a paved surface. The arrow points downwards. The person's shadow is cast to the left. The background is a textured, light-colored pavement.

Town of Danville and
Tri-Valley Cities Policy
Positions on the

CASA Compact & State Housing Legislation

Presented to
Danville Town Council
March 18, 2019

Presentation

Overview

- Historic Housing Trends
- CASA Compact & State Legislation
- Housing Myths and Realities
- Policy Positions
 - Town of Danville
 - Tri-Valley Cities

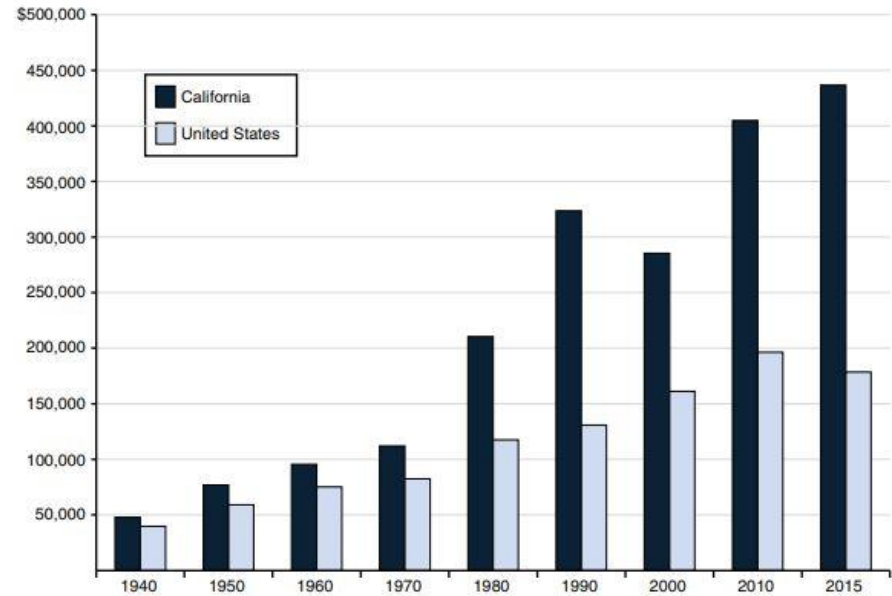
California Housing Trends

From State LAO Report:
*California's High Housing
Costs*, March 17, 2015

Figure 3

California Home Prices Have Grown Much Faster Than U.S. Prices

Inflation-Adjusted Median Home Prices in 2015 Dollars



California

Housing

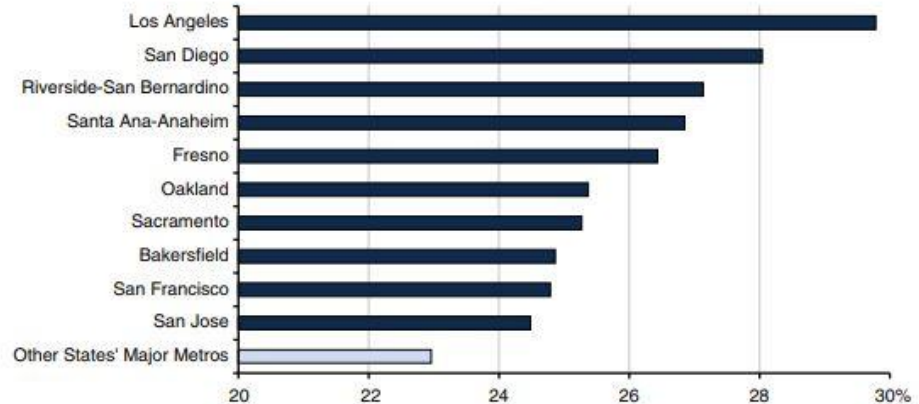
Trends

From State LAO Report:
*California's High Housing
Costs*, March 17, 2015

Figure 11

**California's Major Metros Are All
Less Affordable Than the Average U.S. Metro**

Median Share of Household Income Spent on Housing, 2013



California Housing Trends

From State HCD Report:
*California's Housing Future:
Challenges and Opportunities*,
February 2018

Rental Cost Trends in California
Median Gross Rent 1990 – 2015



Source: Median Gross Rents, 1990-2010 Decennial Census, 2005-2015 American Community Survey 1 year data.⁴

⁴ The Census and American Community Survey tend to reflect lower rents than are present in the market due to a time delay between data gathering and release. Data tools such as Zillow's Rent Index allow an alternative model for tracking rents closer to real time.

State & Regional Responses

- **2017: State "Housing Package"**
(15 new state housing laws)
- **2017: *Committee to House the Bay Area*, or CASA**
Formed jointly by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG)

More information:
<https://mtc.ca.gov/our-work/plans-projects/casa-committee-house-bay-area>

CASA

Membership

Representatives from big cities, for-profit and non-profit housing developers, housing advocates, charitable foundations, and major employers (including Google and Facebook).

Absent: small cities and general public.

CASA LEADERSHIP TEAM

Developer



Mike Covarrubias
TMG Partners

*Affordable
Housing Co.*



Leslye Corsiglia
Silicon Valley @
Home CEO

Philanthropy



Fred Blackwell
San Francisco
Foundation CEO

*Regional
Government*



Steve Heminger
MTC/ABAG
Executive Director



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

CASA Compact

Premise

Bay Area is facing a housing crisis because we have failed to

- **Produce** enough new housing
- **Preserve** existing affordable housing stock
- **Protect** lower-income households

An Emergency Policy Package
to Confront the Housing Crisis
in the San Francisco Bay Area

December 2018

Preserve & Protect

Production

(Goal: 35,000 units annually)

Financing & Governance



The Committee to
House the Bay Area



Components of Compact

- Elements 1, 2 & 3: Protection
- Element 4: Remove Barriers to ADUs
- Elements 5, 6 & 7: Production Initiatives
- Element 8: Surplus Public Land
- Element 9: Potential Funding Sources
- Element 10: Regional Housing Enterprise



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Myth #1

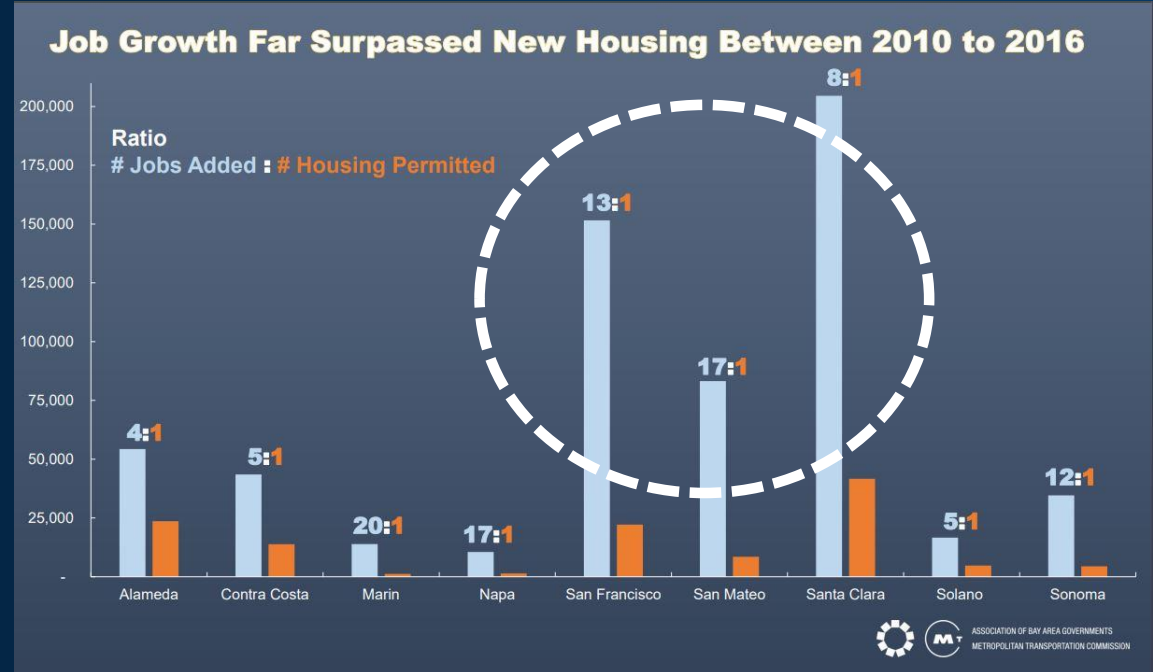
WE JUST NEED
TO BUILD MORE
HOUSING
(everywhere)

REALITY

- We need to build housing **in the right places**, where the jobs are.
- Doing otherwise would only **exacerbate traffic congestion**.
- Ignores local markets with saturated housing supply need **more jobs instead**.

Where we need more housing

are locations where the
most jobs were created
(San Francisco, San
Mateo, and Santa Clara).



Myth #2

IF WE ZONE IT,
THEY WILL
COME

is the working theory behind mandating taller buildings near transit, permit streamlining and waving requirements.

REALITY

- Up-zoning **drives up land values**, increasing project costs and reducing affordability.
- Some markets are **saturated with housing** and are not conducive to absorbing more.

Myth #3

CITY FEES DRIVE HOUSING COSTS

is the basis for reducing or capping development impact fees and offering development incentives.

REALITY

- Major **market forces** – land costs, construction costs, lending requirements - dictate project feasibility.
- Fees are to **off-set impacts** of new development.

Myth #4

WE CAN LEGISLATE AFFORDABILITY

through rent controls and “just-cause”
eviction requirements.

REALITY

Rent control policies can be
counter-productive, leading to:

- **Reduction of available supply** as
renters continue to live in units
to preserve rent cap, regardless
of suitability.
- **Lack of re-investment** or
deterioration in rental units.

Emerging State Legislation

Housing bills introduced in the 2019-2020 legislative cycle directly or loosely correlated to CASA.

CASA Compact Ideas

Tenant protections including rent caps, "just cause" tenant eviction standards, and free rental relocation assistance (at the expense of the property owner).

Housing production requirements including permit streamlining of housing developments, "minimum zoning" requirements (such as minimum height standards) near transit lines, financial incentives for developers, and use of public lands for affordable housing.

New and diverted community taxes to fund the action plan.

New regional housing agency to implement the plan, collect taxes and issue debt.

Emerging State Legislation

AB 1481 (Bonta) [spot bill]
AB 1482 (Chiu) [spot bill]
AB 36 (Bloom) [spot bill]
SB 18 (Skinner) [spot bill]

AB 68 (Ting)
AB 69 (Ting)
SB 50 (Wiener)
AB 1483 (Grayson)
AB 1484 (Grayson)
SB 330 (Skinner)
AB 1485 (Wicks/Quirk)
AB 1706 (Quirk) [spot bill]
SB 6 (Beall/McGuire) [spot bill]
AB 1486 (Ting)

AB 1487 (Chiu)
AB 10 (Chiu)
AB 11 (Chiu)
SB 5 (Beall/McGuire)
ACA 1 (Aguilar-Curry)

SB 5 (Beall/McGuire)

Danville & Tri- Valley Policy Positions

- Advocate a **balanced approach** (jobs, housing, transportation)
- Preserve **local decision-making** ability
- Engage with other cities and state legislators to **influence legislation**
- Undertake **community outreach** to inform the public